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STATE FOR AC/CB, NP/CBM, VC/CCB, L/ACV, IO/S SECDEF FOR OSD/ISP JOINT STAFF FOR DD PMA-A FOR WTC COMMERCE FOR BIS (GOLDMAN) NSC FOR JOECK WINPAC FOR WALTER

E.O. 12958: N/A TAGS: PARM PREL LY AL CWC

SUBJECT: CHEMICAL WEAPONS CONVENTION (CWC): WRAP-UP OF THE

38TH SESSION OF THE OPCW EXECUTIVE COUNCIL

REF: SECSTATE 218506 This is CWC-124-04.

SUMMARY

- (U) The U.S. achieved its one essential goal at the October 12-15 Executive Council session -- unanimous approval of the proposed technical change to allow for Libyan conversion of the Rabta facility. The issue dominated EC-38, with a record 26 delegations asking to make opening statements and all noting the technical change. The concerns of India and Pakistan were addressed through extensive consultations with the U.S., UK, Italian, Libyan and Tunisian delegations. The coordinated effort, led by the U.S., ultimately convinced Russia, the remaining hold-out, to finally sign on (see paras 17-23). The actual conversion request regarding Rabta and the combined plans for destruction and verification of the Rabta factories and Libyan mobile units were deferred to an upcoming special EC session, currently set for November 24.
- $\P 2$. (U) The technical change thoroughly dominated the EC-38 discussions to the exclusion of progress on other issues. There was no agreement on the 2005 budget, which will be raised at the special EC session with a view to setting the stage for agreement on the margins of the November Conference of States Parties (CSP). Work will continue on a draft document for annual submissions on national programs related to protective purposes with the intention of reaching agreement at the CSP. Unexpectedly, there was heated discussion on a call by many delegations for the establishment of a committee to address numerous complaints about status and privileges matters under discussion with the Dutch government. End Summary.

AGENDA ITEM 3 - Statement by the DG

- $\P3$. (U) DG Pfirter began his statement by noting that the Rabta conversion request and the associated technical change were the most important issues facing EC-38. Passage of the technical change, stressed the DG, would be a great service to the future of universal adherence to the CW Convention. And as the Rabta facility would produce low-cost pharmaceuticals of particular importance to Africa and developing nations, the conversion would also serve as a humanitarian gesture.
- (U) The DG noted the "lean" programme and budget for 2005 that he had forwarded for consideration. He promised to provide further information required by States Parties involved in budget negotiations and suggested that he would be willing to make some adjustments to his budget proposals in due course. In a later intervention, he urged SPs to factor in the additional costs to the Technical Secretariat (TS) necessitated by the implementation of the tenure policy. DG stated that the TS might be required to use the Working Capital Fund before the end of the year if the organization does not receive assessed contributions (read: U.S.) or reimbursements for Article IV and V inspections. The DG also highlighted developments in verification activities, industry inspections, and universality efforts.

AGENDA ITEM 4 - General Debate

 $\P5$. (U) Twenty-six speakers took part in the general debate. Most focused on several recurring themes: the Rabta conversion request and associated technical change; support for Results Based Budgeting (RBB) but with varying positions on the budget itself; support for work on universality of the CWC; strong support (amongst NAM countries) for an increase in funding of international cooperative assistance (ICA);

increased destruction activities and meeting destruction deadlines; and a proposed increase in inspections of other chemical production facilities (WEOG countries supporting and the NAM opposing). The Netherlands (speaking for the EU), Sudan (speaking for the African Union), Japan, Iran, and South Africa all made reference to the problem of late payments by "certain" member states. All delegations, with the exception of Russia and initially Pakistan, spoke in favor of the Rabta technical change.

AGENDA ITEM 5 - Status of Implementation of the Convention

 $\P6.$ (U) The EC noted the supplement to the 2003 Verification Implementation Report (VIR). The U.S. took the floor to thank the TS for improving the VIR reporting process and stated that the U.S. would provide additional comments on the supplement. The EC also expressed its concern that only a small number of SPs had submitted annual declaration on past activities for 2003 on time, and urged all SPs to meet their obligations regarding annual declarations in a timely manner. The EC also noted the document on the status of requests for clarification of declaration-related information for 2003. The U.S. obtained the clarifications requested in reftel and will provide information separately to Washington.

AGENDA ITEM 6 - Report of the EC

 $\P 7.$ (U) The EC approved the report on the performance of its activities from 28 June 2003 to 2 July 2004.

AGENDA ITEM 7 - Progress report on Implementation of the Article VII Action Plan

(U) The EC noted the second progress report regarding activities under the Action Plan for Article VII. The facilitator, Mark Matthews (UK) reviewed the status of consultations, bilateral efforts of SPs, and TS workshops and seminars focusing on national implementing legislation. Matthews requested, and the EC approved, authorization to review Article VII status directly to the CSP in November. The U.S. pressed to have the recommendations of the report incorporated into a separate recommendation to the CSP. Several other SPs spoke in support of efforts to improve the status of implementation of Article VII, including Russia, Japan, and Iran. India, in particular, noted support for Article VII efforts, but voiced disappointment over progress achieved thus far and questioned what plans exist to determine how to review the status of implementation at the

AGENDA ITEM 8 - Progress report on Implementation of the universality action plan

(U) The EC noted the progress report on the implementation of the action plan for universality.
Facilitator Hela Lahmar (Tunisia) summarized the informal consultations held in July and October 2004. Lahmar noted that 15 countries have nominated Points of Contact (POC), and that she expected the EU to nominate a POC shortly. She also stated that the External Relations Division was developing a calendar of activities in 2005. The U.S. noted the generally poor communications between the TS and SPs to date and expressed concern that the TS has not interacted with POCs. The U.S. recommended that the TS work on a strategic approach to target specific subregions, which should be shared with POCs and others interested. Japan recommended that the TS focus its efforts on smaller sub-regional events in the key African and Middle Eastern areas. Japan also recommended that the TS invite States not Party to attend CSP-9 as observers.

AGENDA ITEM 9 - Effectiveness of verification activities and their optimization

(U) The EC noted the status report on optimization of verification. The U.S. stated that it is pleased with the report, but added that due to its late publication, the U.S. reserves the right to return to it at a future date.

AGENDA ITEM 10 - Report on progress

in meeting revised deadlines for destruction of chemical weapons

111. (U) Possessor states made brief reports during the EC discussion, drawing on the points made at the October 11 destruction informals. As at the informal donors meeting on October 11, some delegations requested that Russia provide a more complete and written report of the changes taking place with its destruction program. Russia declined, saying it was already providing an abundance of information and not see the need to be subject to further reporting requirements. In reality, and as usual, the briefings offered by Russia on various occasions during the week were long on pictures and short on useful information.

AGENDA ITEM 11 - Detailed plans for the destruction of chemical weapons

112. (U) The agreed detailed plan for the verification of destruction of CW at Aberdeen was deferred to the next EC session.

AGENDA ITEM TWELVE - Combined plans for the destruction or conversion and verification of CW production facilities

113. (U) The Council approved the two Russian combined plans for verification of conversion of the DF production facility and the facility for preparation for filling of non-chemical parts, both at Volgograd. Regarding the DF facility, the Russian experts from Moscow confirmed that the four pieces of specialized equipment in question (tanks 115 1-4) had been destroyed between September 2001 and March 2002. (Note: The TS also confirmed that all demilitarization activities at the

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DF facility had been completed.) The TS affirmed that the Russian description of the disposition of commercial equipment at the former DF facility (now used for storage) is correct. Jerry Mazur of the Verification Branch indicated that roughly two years ago, Russia originally intended to mothball the cypermethrin line with little modification, but that the TS insisted that Russia make significant changes in how the commercial equipment is "stored," including wholescale rearranging of items, in addition to those measures previously described by Russia and the TS. (Comment: These two documents complete EC consideration and approval of Russian combined plans for conversion, and, in the case of these two facilities, should lead to the TS certifying conversion in the near future. End Comment.)

- 114. (U) The EC adopted the U.S. combined plan for destruction and verification of the DF production and fill facility at Pine Bluff Arsenal.
- 115. (U) At the request of Russia, the Council deferred, until a special EC scheduled for 24 November 2004, the three Libyan combined plans for destruction and verification of the CWPF Rabta Pharmaceutical Factory 1 (phase 1); Rabta Pharmaceutical Factory 2 (phase 1); and Tripoli STO-001 mobile filling units, citing the short time frame for review. The delay was also attributed to ongoing discussions with experts on the margins of the EC. Earlier in the week, the TS prepared three corrigenda based on FRG comments to the

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three plans. U.S. experts met several times with Libyan CW experts and the TS to address and resolve its questions and comments to the plans, which resulted in a second draft corrigenda for each of the documents. The second corrigenda, which also include Russian comments, will be published shortly.

 \P 16. (U) The EC noted the DG's report on the conduct of annual inspection activities by the TS detailing the progress made at CWPFs that are still under conversion.

AGENDA ITEM 13 - Conversion of CWPFs for purposes not prohibited under the Convention

117. (U) On the most closely watched issue of the session, the Council succeeded in reaching a consensus decision to recommend to all SPs adoption of Libya's proposal to make a change to Part V of the Verification Annex in order to permit Libya and other SPs that join the CWC after 29 April 2003 to request conversion of former CWPFs. Close and effective cooperation between, inter alia, the U.S., UK, Libyan, Italian, and Tunisian delegations succeeded in bringing into the fold the remaining holdouts, most notably Russia, and orchestrating widespread voices of support throughout the session.

- 118. (SBU) During the general debate on October 12, nearly all of the 26 delegations that made statements, covering all geographic regions, offered strong support for the Libyan proposal, with only Russia objecting. In order to fully isolate Russia, the U.S., UK, Libyan and Tunisian dels held negotiations with India and Pakistan on October 12 to resolve lingering concerns about the format and content of what ultimately evolved into a stand-alone EC draft decision document, officially presented to the EC by Tunisia. (Comment: The Pakistani representative proved to be the most obnoxious interlocutor, continuing to insist privately that he believed this was not truly a technical change but was willing to go along for political reasons. Until the end, he worked to water down EC decision text affirming the correctness of using the technical change process. End comment.)
- 119. (SBU) By the time the proposal was formally taken up by the EC on October 13, only Russia continued to object to pursuing a technical change, arguing that the CSP should instead take a stand-alone decision to permit Libya to convert. Again, roughly 20 delegations, covering all regions, spoke up in support of the proposal. Prompted by the Libyan, Tunisian, and UK delegations, Sudan, regional coordinator of the Africa Group, raised the prospect of a possible vote on the issue if consensus could not be reached by the end of the week, in order to further increase the pressure on the Russian del to seek new instructions from Moscow. Prompted by the U.S. and UK, the TS Legal Advisor, Amb. Onate, expressed his view to the EC that the deadline on conversion in paragraph 72 of Part V could not be bypassed by a separate CSP decision, as proposed by the Russians.
- 120. (SBU) On October 14, Russia informed the U.S. del that it could join consensus on the proposal with the addition of treaty text to the decision document that affirmed the basic obligation to destroy CWPFs and that conversions may be requested only in exceptional cases of compelling need (ironic given Russia's past requests to convert 16 of 24 facilities). Once Russia was on board and revised text was circulated to EC members, the proposal was quickly adopted on the afternoon of October 14, much to the relief of many delegations who feared the possibility of a vote. It is worth noting that at no time during the EC was it suggested that the actual text of the proposed technical change be modified.
- 121. (SBU) (Comment: The basis for Russia's objections to the proposal remains unclear. At no point did the Russian del seek a "deal," by asking for concessions on other issues, such as the handling of Russian conversions. During frequent contact with the U.S. del, both in the run-up to and during the EC session, the Russian del offered numerous, and oftentimes contradictory, arguments to support its position, clearly giving the impression that the problem was in Moscow. It appears probable that Russia's position resulted from a combination of a lack of higher level political oversight, stubbornly held views among CWC implementers in capital about how the treaty should function, resentment at U.S. support for Libyan conversion in contrast to perceived U.S. obstruction of Russian conversion, and concerns about making it too easy for future SPs to gain approval to convert. In the end, the combination of entrenched support among a wide geographic range, Russia's early isolation during the session, the absence of any direct Russian equity in the issue, the evisceration of the legal basis for Russia's alternative approach, and the threat of a vote appears to have "motivated" officials in Moscow to get out of the way of what had become a moving train before it ran over them. End Comment.)
- 122. (SBU) Regarding next steps, the EC Chairman, supported by the TS, is responsible for notifying all States Parties of the EC's recommendation, thereby starting the 90-day silence procedure for final adoption of the proposal. The UK and U.S. dels suggested to TS officials that additional copies of the original Libyan proposal and DG evaluation should be sent, together with the EC recommendation, to facilitate consideration by States Parties. The U.S., UK, Italian and Tunisian dels agreed that a low-key approach should be taken in regards to the silence procedure, based on the view that aggressively promoting the proposal could draw unwanted attention to the issue. Delegations agreed to recommend to capitals that all posts should be notified of the EC's recommendation and be furnished with contingency points in case host governments raise any questions. Dels in The Hague would keep in contact with regional coordinators to watch out for possible troublemakers. Libya indicated it would be a little more proactive about seeking support among SPs, but would avoid making the "hard sell."

 123. (SBU) The one exception is Germany, which, despite the objections of the U.S. and EU members, made an unhelpful statement following EC approval of the proposal indicating that it may have to object during the 90-day period if the Bundestag was unable to sign off on the change before it recesses in December. Dels agreed to recommend that capitals

demarche Berlin to make every effort to secure Parliamentary approval, and therefore avoid having to raise an objection, with the Libyans indicating that they will seek to raise this issue with Chancellor Schroeder during an upcoming visit to Tripoli.

124. (U) The EC, at the request of Russia, deferred the Libyan conversion request for the Rabta Pharmaceutical Factories 1 and 2 CWPFs until the special EC scheduled for 24 November. Russia cited the size of the document and lack of time provided to the EC to review the document, and further stated that the complex document was only available in English. Earlier in the week, U.S. experts met with Libyan CW experts to review the USG questions and comments and to revise first draft corrigendum. The changes were reflected in a second corrigendum. Discussion with both the UK and FRG delegation indicated they were satisfied with the conversion request and the two corrigenda.

AGENDA ITEM 14 - Facility Agreements

125. (U) At Russia's request, the Council again deferred the facility agreement for Aberdeen. Late in the week, the U.S. del was hopeful a solution had been found that would satisfy Russian concerns with regard to the declaration of the TSDF as part of the declared destruction facility. On review in Washington, the text was determined to be untenable and was abandoned. Delegation now believes it would be advantageous to revert to the simpler mechanism entertained earlier of a blanket "no precedent" declaration in the decision documents. Del will explore this option with Washington during the coming weeks.

126. (U) Following consultations with the U.S., the Italians issued six corrigenda to their six schedule 2 facility agreements before the EC, incorporating U.S. comments. In introducing their documents, the Italians noted that the documents for approval are "arrangements" rather than "agreements" due to internal Italian requirements for their legislature to review "agreements". The Council approved the six Italian Schedule 2 facility arrangements (and noted the attached TS report regarding differences between the text of the model facility agreement and the arrangements before the Council).

AGENDA ITEM 15 - Chemical industry issues

127. (U) The EC approved report language regarding the marking of scheduled chemicals in the Handbook on Chemicals to assist SPs in making declarations. Specifically, the language requests that the TS, in its next version of the Handbook, mark chemicals which have been declared with an asterisk in order to distinguish chemicals actually used and traded from those included in the chemical list as research, development or test chemicals not normally associated with industrial activities or trade.

AGENDA ITEM 16 - Lists of new validated data for inclusion in the OPCW Central Analytical Database

 $\underline{\ }$ 28. (U) The Council approved the DG's note on the lists of new validated data.

AGENDA ITEM 17 - Fostering of international cooperation for peaceful purposes in the field of chemical activities

129. (U) The EC Chairman noted that there had been no informal consultations on this topic due to lack of a facilitator and urged that volunteers come forward urgently. India supported this request, noting the importance of negotiating an action plan for Article XI, and asked delegations to show flexibility. Iran, supported by Pakistan, noted the importance of fully and effectively implementing Article XI. Article XI activities should not be limited to workshops and seminars. SPs need to strengthen their compliance and enhance their transparency with this Article. The Council adopted report language submitted by Brazil and Mexico.

AGENDA ITEM 18 - Assistance and protection against chemical weapons

 $\underline{\mbox{\bf 1}} \mbox{\bf 30.}$ (U) Facilitator Gabrielle Kruger (UK) updated the EC on her efforts to reach agreement on a standard format and

procedures for SPs to make annual submissions of information on national programs for protective purposes. She indicated that, with the latest version recently circulated, they were close to having an agreed document ready for approval at the upcoming CSP. In discussions on the margins of the EC, the U.S. and UK dels discussed the current status of negotiations and agreed to remain in close contact as this issue moves toward a conclusion. The UK agreed to provide the U.S. an updated version of the format, taking into consideration concerns raised about the previous version, as well as draft procedures related to the making of annual submissions.

AGENDA ITEM 19 - Reports of the External Auditor

131. (U) The EC agreed to note the report, and the U.S. arranged for acceptable report language, fending off calls for payment schedules. The U.S. made a comment from the floor welcoming the External Auditor's report, expressing appreciation that the report is more in-depth than in recent years, and urging an increased emphasis on "value-for-money" audits in future years.

AGENDA ITEM 20 - Implementation of the recommendations of the External Auditor and of the Office of Internal Oversight

¶32. (U) The Council agreed to note the reports. The facilitator, Chiho Komuro (Japan), provided an oral report, noting that greater detailed information should be provided in future status reports and also suggested the inclusion for a specific timeline for completion of the recommendations. The U.S. expressed regret that these reports provide only cursory information on implementation of the External Auditor and OIO recommendations and should be improved upon in the future. Del also noted with disappointment that the TS made no improvements to the type of information provided in these status reports.

AGENDA ITEM 21 - Draft OPCW Programme and Budget for 2005

133. (U) There remain clear disagreements among member states regarding the proposed budget for 2005. The issue will be raised at the upcoming special EC on November 24, but chances for agreement there are slim. Instead, the special EC will be the starting point for final budget negotiations, which will likely take place on the margins of the upcoming CSP. From sidebar conversations and information in opening statements, all delegations, except the U.S., appear to want a reduction in the proposed overall budget increase of 4.8%. Other discussions on the proposed budget will be reported septel. The Council decided to further consider the Draft Medium-Term Plan for 2005-2007 at a meeting prior to CSP-9.

AGENDA ITEM 22 - Administrative and financial issues

- 134. (U) The Council noted the DG's income and expenditure reports for the OPCW. The EC also agreed to forward to the CSP the DG's report on transfer from and replenishment to the Working Capital Fund. It also noted the DG's information on the implementation of recommendations made by the 16th ABAF. The Council noted the report of the 17th ABAF, as well as the information from the DG on the implementation of the recommendations made by the 17th ABAF. Finally, the EC noted the resignations of certain ABAF members and approved the appointments of successors.
- 135. (U) (Note: the original agenda item twenty-three in the notional schedule -- agreements on the privileges and immunities of the OPCW -- was dropped from the draft report as there was no action on the item. End Note.)

AGENDA ITEM 23 - Implementation of the Headquarters Agreement

136. (U) After a heated debate from the floor, with the African Group and the Latin American Group indicating support for the establishment of a committee on this agenda item and most Western countries requesting information from the DG and opposing the establishment of a committee, the Council reached consensus on report language. The EC noted the report by the DG on implementation of the Headquarters Agreement and requested that the DG provide supplementary information.

- 137. (U) The Council set the dates for the forty-third session of the EC as 5-9 December 2005. The EC also approved the DG's proposal to increase the number of members of the Scientific Advisory Board (SAB) to 25 members. Several delegations, including France, Germany and the UK, spoke in support of increasing the number of representatives on the SAB due to increased workload and the need to adequately reflect the geographic diversity of SPs relative to the increase in SP membership.
- 138. (U) There was much discussion (none of which made its way into the report) regarding the EU's joint action plan on challenge inspections. As a result of the July 2004 seminar held in Austria regarding challenge inspections, the EU generated a general agreement calling for consultations on administrative and logistical issues associated with challenge inspections. This proposal was resoundingly rejected by most of the NAM, with India, Brazil, and Iran leading the charge. There appeared to be a general suspicion among opposing SPs that the EU proposal was designed to increase the likelihood or direct a challenge inspection. The EU proposal was confusing, given that it called for consultations already provided for in the EC's plan of activities. Due to this fact, the EU needs only to offer or identify a facilitator to begin discussions. In the end, after much positioning, the EU agreed to withdraw the text.

ALBANIA

- 139. (U) While not discussed as a formal agenda item during the Council session, the question of destruction of Albania's stockpile of chemical weapons was discussed on two occasions. During the informal destruction meeting on October 11, both the Albanian and the U.S. delegation made brief interventions to the effect that the two parties were working closely together under the auspices of the U.S. CTR program. The U.S. further indicated that at this stage of the process, we are awaiting Presidential signature on the certification that will permit CTR funding to begin flowing.
- 140. (U) On October 12, the Swiss delegation hosted a luncheon to discuss the issue of destruction of Albania's stockpile. The meeting was attended by the UK, U.S., Albania, Italy, France, Netherlands and Germany. The U.S. introduced the subject of cooperation with Albania by briefly describing how CTR came to be involved in the Albania destruction program. The Delegation also expressed, as it had during the October 11 destruction meeting, that the hesitation previously expressed by the U.S., through the Albanians, to receive "outside" funding, had passed. Now that the U.S. has a better idea of its own involvement and the scope of the project, we believed it was possible to begin a dialogue about possible assistance from, for example, the EU.
- 141. (U) In its capacity as EU President, the Netherlands intervened that the EU had recently concluded, based on the response received from Tirana on this issue, that Albania did not need any funding other than what the U.S. was providing. As part of its recent decision, the EU had essentially "red lined" Albania from consideration for receiving funding during FY 05, an action that would have to be reversed if Albania was to receive such consideration. (Note: The EU has allotted approximately 1.8 million Euros to be expended under the general heading of "chemical weapons destruction". Lacking any other object for the expenditure of these funds, the EU had decided to give all 1.8 million to OPCW. End Note.) The Dutch representative stated that if Albania in fact wanted to be considered for receipt of FY 05 funds, the EU should receive a letter immediately from Albania stating this. The Albanian Ambassador said he would provide such a letter the next day. After the meeting, the Albanian requested U.S. support in drafting the letter, which the delegation provided. The letter was delivered to the EU Presidency on October 13 and, delegation was informed, was sent to the appropriate working group in Brussels for consideration and discussion.
- 142. (U) Based on information from Washington, delegation also cited three general areas in which such assistance might be usefully applied: support for destruction activities; offset of inspection costs; and conduct of analyses. Delegation highlighted the concern expressed by Albania over the daunting prospect of having to pay the 250,000-500,000 USD that we estimated it would cost for the TS to perform inspections over the life cycle of the Albanian destruction program. Switzerland made reference to the 60,000 euros it had already pledged for inspection costs, which Albania acknowledged, but also reckoned would not fully cover anticipated costs.

- 143. (U) Delegation also cited selected items from the list of specific areas in which assistance might be needed to support the actual destruction effort, including road improvement and purchase of fuel for generators and the incinerator. All present, particularly the Swiss, took copious notes. request from most delegations after the meeting was for more specific information about areas where assistance might be offered. Delegation had stated during the meeting that we would have more specific ideas about where help could be offered, costs, timelines, and the modalities for turning offers of assistance into concrete actions, once the Presidential certification had taken place and "spade work" could begin in earnest. All present took the point, but reiterated that something in writing from the U.S. that they as the EU or as individuals could use for the own decision-making process would be highly prized. Delegation concluded its substantive remarks by stating that it was optimistic that a more fulsome dialogue could be undertaken soon, including information along the lines they were requesting.
- 144. (U) Based on an informal request from Washington, delegation availed itself of the opportunity to talk to the director of the Spiez laboratory in Switzerland, Dr. Marc Cadisch, about the analysis Spiez performed on some samples of Albania's CW. In particular, the delegation asked whether Spiez had tested for the presence of heavy metals in the agent, and was informed it had not. In answer to a follow-up question, Cadisch indicated he would be happy to conduct further analysis of the agent samples if we would provide very specific parameters for the testing. Delegation informed him we would respond.
- ¶45. (U) Also on the margins of the meeting, Swiss delegate and employee of Spiez, Dominique Werner, spoke to the delegation at length about Switzerland's experiences and "lessons learned" while working in Albania. Werner offered and recommended that initial assessment or technical teams going into Albania in preparation for establishing a CW destruction operation should stop over in Switzerland. The Swiss have a large body of practical experience that would be useful to convey.

DONORS MEETING

- 146. (U) This session of the informal donors meeting produced little of substance, though politically two things seem noteworthy. First, to universal annoyance, Russia provided virtually no enlightenment with regard to the changes in its destruction program and the bureaucracy charged with overseeing it. In response, Italy made an impassioned appeal to Russia for such information and, in particular, a reliable point of contact to sign contracts and discuss substance. During the meeting and in a subsequent bilateral meeting with DATSD (CD&TR) Mr. Patrick Wakefield, the Italian delegation expressed extreme frustration that it had contracts that, once signed, would permit funds to begin flowing to Russia's destruction program, but they could not find a Russian to sign them. The offices they had dealt with in the past were apparently defunct and no one even answered the telephone. Magnifying Italy's frustration was the fact that the current contracts are small compared to the roughly 330 million euros Italy has committed to give Russia for CW destruction. If the situation did not improve with regard to the small contracts, the much larger sum might be jeopardized.
- 147. (U) The second issue, related to the first, was the discernable lack of collegiality toward Russia that has characterized these meetings in the past. In its own full frontal assault, the Canadian delegation, drawing on points apparently provided by Ottawa, also stated that difficulties with identifying contractors had become an obstacle to the provision of assistance by Canada. He also took the Russians to task over public assertions by Russian officials that by complaining about problems with Russia's bureaucracy, Canada was creating "pretexts" for Canada not delivering the assistance it had pledged. Delegation also intervened to cite U.S. contribution figures to date and anticipated in FY 05, and to also complain about difficulties created by Russia with respect to contractors and the issuance of visas to U.S. contractors.

 $\P48.$ (U) Ito sends.

SOBEL